

assigned. The buyer's relative position has been above expressed.

5. Then the day of marking the quotation  $x d.$  arrives—the 16th of January—on which day we will assume that the sale was effected; the seller having received the cheque for the January interest retains it; and the reason is that the price being fixed  $x d.$ , is thereby quoted at a lower amount, that is to say, the quotation is reduced by the amount of the interest; hence the seller obtains a reduced price, but properly keeps the interest for the half-year on his investment, and the buyer is uninjured, for he has thus paid an equivalently diminished price for the stock. The purchaser will then be entitled to the next half-year's interest due on the 15th of July.

6. And if the stock be sold after the 16th of January and prior to the next half-yearly period, when it is again marked  $xd.$ , the buyer secures the interest due on the 15th of July, the seller being indemnified by receiving in the price the accrued interest from the 15th of January to the date of sale.

With this explanation the justice of procedure in the two cases cited on an earlier page is readily recognised.

It will be noticed as the general principle that, if a sale occur prior to the date of the quotation  $x d.$ , the dividend or interest just declared or due, or about to be declared or to become due, is the property of the buyer—he having paid its full proportion to the seller in the price he gave, and would thus be paying it twice over if he himself did not receive the compensation of the current dividend or interest itself. The case, accordingly, may actually occur that the holder of a stock may attend the meeting of the company at which the dividend is declared; may exult in its favourable character; and yet, should he sell before the date of the  $\# d.$  marking, the amount he has thus received must be

disconsolately handed to the purchaser. The fairness of the practice and the equity of the rule must now be admitted; and a cause of unwarranted expectation is thus removed.

The date of the closing of a company's books depends upon convenience and other circumstances at the time, and accordingly varies; the date is intimated in the published report; but in the case of government and municipal securities no